

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA : CRIMINAL NO.

v. : DATE FILED:

TIANGANG ZHUANG : VIOLATION:
: 26 U.S.C. § 7206(1) (filing a false tax
: return – 1 count)

INFORMATION

COUNT ONE

**26 U.S.C. § 7206(1)
(Filing a False Tax Return)**

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this Information:

1. Defendant TIANGANG ZHUANG, a resident of Philadelphia, Pennsylvania, controlled and operated several businesses involved in the development and sale of colorblind glasses, electronics, and cosmetics, including Pilestone Inc. (“Pilestone”), and Golden Mermaid, Inc. (“Golden Mermaid”), both located in Philadelphia, Pennsylvania.

2. Pilestone was incorporated in or about 2011, and defendant TIANGANG ZHUANG was listed as the sole shareholder. Pilestone was operated as a Subchapter S Corporation and for the tax years 2017 and 2018 filed U.S. Income Tax Returns for an S Corporation, Forms 1120-S, and listed defendant ZHUANG as President.

3. Golden Mermaid was incorporated in or about 2015, and defendant TIANGANG ZHUANG’s wife, known to the United States Attorney as “S.Z.,” was listed as the sole shareholder. Golden Mermaid was operated as a C corporation in 2017, and filed a U.S. Corporation Income Tax Return, Form 1120. In 2018, Golden Mermaid was operated as a

Subchapter S Corporation and filed a U.S. Income Tax Return for an S Corporation, Form 1120-S. During the tax years 2017 and 2018, S.Z. was listed as President and defendant ZHUANG was believed to be Vice President of Golden Mermaid.

4. The Internal Revenue Service (“IRS”) was an agency within the U.S. Department of Treasury responsible for administering and enforcing the federal revenue laws and regulations regarding the ascertainment, computation, assessment, and collection of taxes owed to the United States by its citizens and residents.

5. Pursuant to Title 26 of the Untied States Code, every citizen and resident of the United States who received gross income in excess of the minimum filing amount established for a particular year was required to annually make and file a U.S. Individual Income Tax Return, Form 1040, with the IRS. Taxpayers must report on their Forms 1040 any compensation, dividends, and other taxable distributions received from a C Corporation. In addition to reporting any compensation and dividends, taxpayers who receive any share of corporate profits from an S Corporation must report their share on a Schedule E, Supplemental Income or Loss, attached to the Form 1040.

6. From at least as early as in or about 2017, to in or about 2019, defendant TIANGANG ZHUANG provided his accountants with false and incomplete information concerning the gross receipts of Golden Mermaid and Pilestone, which, in turn, caused the preparation and filing of false Forms 1120 and Forms 1120-S for the tax years 2017 and 2018. In particular, for tax year 2017, defendant ZHUANG failed to report all gross receipts for Golden Mermaid, which resulted in a tax loss of \$80,371.48. For tax year 2018, defendant ZHUANG caused the filing of false Forms 1120-S for Golden Mermaid and Pilestone that understated their combined gross receipts which, in turn, caused the income that flowed through to the Schedule E

attached to the joint Forms 1040 filed by defendant ZHUANG and his wife, S.Z., to be understated by approximately \$497,468, resulting in a tax loss of approximately \$139,291.04. The combined tax losses caused by defendant ZHUANG for both years was approximately \$219,662.52.

7. From on or about January 1, 2018 to on or about June 19, 2019, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

TIANGANG ZHUANG

willfully made and subscribed, and filed and caused to be filed with the Internal Revenue Service, a false joint U.S. Individual Income Tax Return, Form 1040, for the calendar year 2018, which was verified by a written declaration that it was made under the penalties of perjury and which defendant ZHUANG did not believe to be true and correct as to every material matter; specifically, that the tax return reported on line ten that defendant ZHUANG received approximately \$163,769 of taxable income, whereas, as defendant ZHUANG well knew and believed, he had received taxable income of approximately \$661,237.

In violation of Title 26, United States Code, Section 7206(1).

Christine E. Ayers, Esq.

JACQUELINE C. ROMERO
United States Attorney

No. _____

UNITED STATES DISTRICT COURT

Eastern District of Pennsylvania

Criminal Division

THE UNITED STATES OF AMERICA

vs.

TIANGANG ZHUANG

INFORMATION

Counts

26 U.S.C. § 7206(1) (filing a false tax return – 1 count)

A true bill.

Foreman

Filed in open court this second day,
Of December A.D. 2022

Clerk

Bail, \$ _____